

North, have referred to this Bill, which will limit the indexation of those who do not need the supplement, less than half of the pensioners, as a money-saving measure.

I have once more to indicate to them that this is not the case. It does save some money, but the very purpose of the Bill—I have said this often and I apologize for having to repeat it once more to these two Hon. Members—which the Conservatives are trying to amend today, and they want to change its intent completely, is to cut down inflation by half in the next two years.

[Translation]

When we wanted to control inflation in 1975, we decided to take drastic action which was very hard on all Canadians, namely, to control prices and wages through the Anti-Inflation Board. Hon. Members will recall that the program lasted three years. What happened at the end of those three years? While the program lasted, everything went according to plan, but as soon as controls were lifted, unfortunately—and I do not remember the exact figures—there was a sudden inflationary upsurge of prices and wages. That is what we want to avoid. I shall therefore have to explain to the Hon. Member for Okanagan North why I cannot accept his amendment. We are asking all Canadians who, because of specific programs, come directly under Federal jurisdiction, to participate in the 6 and 5 program, that is, to reduce their own expectations. Again, I am referring to all Canadians who are not in the lowest income groups. We have passed bills under which this is mandatory, and one of these measures, which has been in effect since July 1 of this year, if I remember correctly, applies to all Members and Ministers. The same is being asked of many other Canadians affected by Federal programs, including mothers and senior citizens who are not in low income groups, and all taxpayers through the tax system. Next year, basic personal exemptions will be increased by only 6 and 5 per cent. There will be an increase, but only an increase of 6 and 5. Why we are doing this? Because, once and for all—and I think that is why I am opposed to the amendment proposed by the Member for Okanagan North—we want to take the bull by the horns and reduce inflation rates by half. To do this, obviously, all Canadians must be involved in a national campaign, as it were. We cannot do this alone. We cannot ask one group in our society to reduce its spending and expectations to 6 per cent. To get results, everyone must work together and be prepared to support a program of shared responsibilities and shared efforts to put the economy on the road to recovery. I often heard a lot of socialist laughter in committee when I used the expression to mobilize Canadians. Nevertheless, it is not a laughing matter, because we have here a psychological factor that is very important if we are to maintain a healthy economy. It is hard to introduce this psychological factor unless we succeed in mobilizing all Canadians.

I am sure the Member for Okanagan North will agree that by May or even by mid-June or June 20 or 22, a few days before the Minister of Finance brought down his budget at the

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end of June, no one in Canada had even heard of 6 and 5. No one knew what it meant. We launched this concept of bringing down the rate of inflation, which was expected to be 12 per cent next year and 10 per cent the year after, to half those amounts namely, to 6 and 5. We decided to do this by reaching Canadians through an organized campaign and by using all the tools of our Federal jurisdiction. For instance, the 6 and 5 program will apply to all prices that are federally regulated. I am thinking of telephone and cable rates, for instance. These services are going to keep price increases down, to 6 per cent.

[English]

Mr. Deputy Speaker: The Hon. Member for Kamloops-Shuswap (Mr. Riis) rises on a point of order.

Mr. Riis: With all due respect, would the Hon. Minister receive a question at this point? It is a question of clarification more than anything.

[Translation]

The Acting Speaker (Mr. Blaker): Does the Minister wish to entertain a question?

Miss Bégin: Mr. Speaker, I should be glad to do so at the end of my speech, if there is time. As I was saying, we also decided to reduce increases in prices that are federally regulated. We are doing so in order to bring the greatest possible pressure to bear on the inflation rate. This morning, people woke up to the happy news that for the first time, inflation is down to a single digit. Only last month, on November 18 when I spoke in the House, we had an inflation rate of 10 per cent. It has now been reduced to a single digit. Now we are expecting to reach the magic figure of 6 per cent by the end of 1983. The amendment proposed today in the House is a way of telling Canadians not to worry. I am, of course, referring to retired Canadians who do not need the supplement. Do not worry. We are going to reduce your increase to 6 per cent. You thought you were going to get a bigger increase but it will only be 6 per cent. Next year, it will only be 5. However, all this is money in the bank. If the inflation rate continues to rise, at the end of the two years, in other words, in January 1985, you will get back the entire amount deducted during 1984 and 1983. All excess indexation is going to be put in the bank and when this ridiculous 6 and 5 plan is done and over with, you will get your money back. What on earth can they be thinking of? This is utterly absurd! First of all, it does not help anyone. The Hon. Member seems to be genuinely concerned about people on low incomes. However, this group is entirely protected under our legislation, because they will be getting full indexation of their pension and pension supplement. There are also those who are in the so-called grey area and are not particularly well off. What will do them the most good? They will benefit if inflation is brought under control, because it means the value of their dollars will be safeguarded. It also means they will get more for their dollar. Since inflation dropped this month to a little over 9 per cent, these people are going to lose only a little